

Message Text

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11

ACTION AID-59

INFO OCT-01 AF-10 ADP-00 EB-11 IGA-02 INR-10 RSR-01 RSC-01

/095 W

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R 311045 Z MAR 73

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 6334

INFO AMEMBASSY NAIROBI

C O N F I D E N T I A L KHARTOUM 0706

NAIROBI FOR REDSO/ EA

E. O. 11652: GDS

TAGS: EAID

SUBJ: SUDAN- RAHAD LOAN 650- H- 017

ALSO PASS AID/ AA/ AFR

REF: NAIROBI 1968

1. SUMMARY: IF SERIOUS ERRORS EXISTS IN ESTIMATES EQUIPMENT PROCUREMENT AVAILABLE UNDER AID RAHAD LOAN, ERROR SHOULD BE RECTIFIED THROUGH EITHER ADDITIONAL FUNDS OR SUBSTITUTION EQUIVALENT BUT CHEAPER EQUIPMENT. AT MINIMUM, "DISCOVERY" OF ERROR SHOULD BE DELAYED SEVERAL MONTHS TO AVOID ANY LINK FORTHCOMING TRIAL BSO TERRORISTS. END SUMMARY.
2. MAGNITUDE: EMBASSY SERIOUSLY CONCERNED BY APPARENT UNDER-ESTIMATE

CITED REFTEL BY REDSO NAIROBI CONCERNING COSTS AND CONSEQUENT AVAILABILITIES CAPITAL EQUIPMENT TO BE FINANCED BY USG UNDER PROVISIONS AID RAHAD LOAN. IF REDSO CORRECT, MAGNITUDE UNDER- ESTIMATE COMPARED ORIGINAL US PACKAGE IS 18-23 PERCENT OCCURRING ONLY TWO MONTHS AFTER DETAILS FINALIZED. GOS, OF COURSE, IS AWARE PROCUREMENT SPECIFICS SINCE IT PARTICIPATED PREPARING LIST CONTAINED AID IMPLEMENTATION LETTER.

3. GOS REACTION: GOS REACTION TO REDUCTION BY ONE- FIFTH OF ITS EXPECTED PROCUREMENT CAN BE EXPECTED BE STRONG EVEN IF LISTS AGREED UPON DID NOT LEGALLY BIND USG. IF AID LOAN IS INCREASED BY AMOUNT REQUIRED TO BUY LISTED EQUIPMENT, GOS WILL
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CERTAINLY BE APPRECIATIVE. HOWEVER, ANY PROPOSAL IN IMMEDIATE FUTURE TO REDUCE SUBSTANTIAL PORTION US AID- FINANCED EQUIPMENT EVEN IF THERE IS REASONABLE EXPLANATION, LEAVING IT TO GOS TO FIND ALTERNATIVE SOURCES OF FINANCING, IS CERTAIN TO BE MET WITH ARGUMENT THAT USG IS AT ERROR AND HAS AT LEAST MORAL RESPONSIBILITY TO RECTIFY IT. WE EXPECT IBRD MIGHT ALSO BE SIMILARLY CONCERNED.

4. LINKAGE TO BSO TERRORIST ISSUE: ASIDE FROM GENERAL NEGATIVE IMPACT WHICH POSSIBLE REDUCTION IN EQUIPMENT WOULD HAVE ON US CREDIBILITY WITH GOS, NOT ONLY IN THIS PARTICULAR CASE BUT IN ALREADY COMPLEX ISSUE OF GOS EXPECTATIONS TOWARD US ASSISTANCE, WE ARE ALSO CONCERNED THAT GOS OR ITS INTERNAL AND EXTERNAL CRITICS NOT RELATE THIS DEVELOPMENT TO KHARTOUM ASSASSINATIONS AND EITHER INTERPRET IT (GOS) OR EXPLOIT IT (OTHERS) AS USG PRESSURE ON BSO TRIAL AND SENTENCES. ALTHOUGH GOS WOULD ALMOST CERTAINLY REJECT ANY

OUTSIDE ACCUSATIONS TO THIS EFFECT AND WOULD BE UNLIKELY AIR ITS OWN SUSPICIONS PUBLICLY, GOS HANDLING OF TERRORISTS AT MINIMUM WOULD BECOME FURTHER COMPLICATED; AT WORST, GOS COULD BECOME SUBJECT TO URG-

ING THAT IT REACT AGAINST " US PRESSURE" BY TREATING TERRORISTS MORE LENIENTLY.

5. ACTION REQUESTED: IF REDSO NAIROBI' S CALCULATIONS ARE IN FACT CORRECT, ADDITIONAL FUNDS SHOULD BE FOUND TO MAKE UP DIFFERENCE (QUERY: IS EQUIVALENT BUT CHEAPER EQUIPMENT FEASIBLE?). IF FUNDS INCREASED, PUBLICITY HANDLING NEEDS BE CAREFULLY CONSIDERED SO AS NOT GIVE APPEARANCE USG SEEKING BUY GOS FAVOR ON TERRORIST ISSUE. IF FUNDS CANNOT BE MADE AVAILABLE WE HOPE THIS CAN BE AT LEAST MASKED FOR IMMEDIATE FUTURE, I. E. THAT ERROR CAN BE " DISCOVERED" SIX MONTHS FROM NOW AND PERHAPS RATIONALIZED IN PART ON PRICE INCREASES. WE CERTAINLY HOPE SUCH AN ALTERNATIVE WILL NOT BE NECESSARY BUT IT COULD BE IMPORTANT EXPEDIENT IN TERMS USG POSTURE TOWARD TRIAL AND ITS OUTCOME

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